



CALIFORNIA WATER PLAN, UPDATE 2013
FINANCE CAUCUS
APRIL 28, 2011
1:00-4:30 P.M.
CENTER FOR COLLABORATIVE POLICY
815 S STREET SACRAMENTO, CA

Meeting Participants	
Name	Organization
David Bolland	Assoc. of California Water Agencies
Grace Chan	Metropolitan Water District- Southern California
Ane Deister	Entrix
Mark Drew	Cal Trout IRWM
Anton Favorini	LAO's Office
Elizabeth Martyn	LBB&Smith
James Nachbaur	LAO's Office
Bruce Gwynne	Department of Conservation
Allan Highstreet	CH2MHill
Chris Keithley	Cal FIRE
Karl Longley	California Water Institute- Fresno
Tim Parker	Groundwater Resources Agency
Cynthia Truelove	CPUC
Sue Simms	CA Water Commission
Toby Roy	San Diego County Water Authority
Yung-Hsin Sun	MWH
Jennifer Svec	California Assoc. of Realtors
Jose Alarcon	DWR
Kamyar Guivetchi	DWR
Paul Massera	DWR
Vern Knoop	DWR
Elizabeth Patterson	DWR

Facilitation Team: Lisa Beutler, MWH; Katie Cox, Center for Collaborative Policy, Sacramento State

Welcome and Opening Comments

Meeting facilitator, Lisa Beutler, MWH Americas, thanked the group and asked for a round of introductions. She reviewed the agenda and meeting handouts. She also reviewed the meeting ground rules and logistics.

Background and Purpose of Update 2013 Finance Plans

Paul Massera, DWR, thanked caucus members for their participation. He noted that the finance plan is part of the 2013 California Water Plan (CWP) effort. The purpose of the meeting was to define what is expected of the caucuses and look for exploratory conversation and not decision making. He noted that there continues to be funding limitations throughout the process of the CWP, in both its drafting and implementation.

The purpose of the finance plan is to identify and prioritize, as well as compile and report the costs associated with water management planning. Based on that information, they would like to be able to make recommendations.

Right now, they are looking for effective decision support, and increasing implement ability. He emphasized the need to ensure that expectations are realistic and that they are aspiring to achieve consensus. He noted that governance continues to be an essential element. He explained the other collaboration venues that were being utilized such as the public Advisory Committee and the State Agency Steering Committee.

Questions

- Is there a list of existing plans as well as the existing unfunded mandates?
- Will both AB 32 and SB 34 have a public goods charge?
- It was suggested that the scope include the status quo, for instance the background should include how we have BEEN funding water and how that has evolved throughout time.

Conceptual Framework

Mr. Massera reviewed the current definition of what Integrated Water Management is. It was suggested that a water/energy nexus should be included.

Questions and Comments

- There has been a lot of tiering at the local level and that should be included.
- There is a need to aggregate the texture but at the same time maintain that there is context of what is being done at the local level.
- To determine priority, you must determine what the State interest is.
- Ecosystem goods and services needs to be included, as well as their beneficiaries and the fees involved.

Broader Context of the Public Benefits and Sources of Revenue Discussion

Sue Simms, Executive Officer of the Water Commission, noted that if there is going to be additional funding for storage, there are going to be public benefits, and you need to determine how you prioritize public benefit because there are a lot of different viewpoints. She noted that she wants to use this as a way to being dialogue and they are looking for ways to coordinate with other agencies. It was suggested that for an update of current public dialogue, the Strategic Growth Council should be engaged.

James Nabucher, LAO, added that there a list of items that the State legislature might not want to fund. Their preferred method is that the Board of Equalization would collect assessments from retailers and pass them on to the customers. Some of the policy issues that they have grappled with is the split between Urban and Ag, and how those costs are assigned.

Questions and Comments

- How was this piece conveyed to the legislature and what do they intend to do about it?
 - Mr. Nabucher noted that an earlier version of the handout had been presented. He noted that they were asked, if the legislature were to consider a funding mechanism, what would the LAO prefer.
- It would be a fatal flaw if we didn't get protection against a rate. Water use and Water use efficiency measures were not mentioned.
- Having Statewide conservation requirements may not benefit the State.
- When you are differentiating between Ag and Non Ag, a lot of Ag is buying water from retailers. They have to use treated water which is expensive. It would be a difference assessment from total irrigated acreage from the water that they buy from the retailer.

Mr. Massera noted that there are representatives from the Delta Stewardship Council that will be working to drill down on the Finance Plan.

Eric Nichol, Delta Stewardship Council, announced that the Delta Plan is forecasted to be complete by 2012. They will have the 4th draft completed by May and that will be the one that is presented to the Council. He noted that in the summer of 2011, they intend to address the financing plan framework, when they will touch on guiding principles and needs, and identify potential funding sources.

Allan Highstreet, CH2MHill, noted that as they move forward on the finance plan framework their hope is to use a lot of existing costs from other plans. He noted that they have looked at guiding principles and policies , but they need to get mechanisms in place as they move down the road.

Questions and Comments

- There was concern over the use of stressors and practicalities within the LAO Report.

Worksheet Review

Meeting participants were asked to review a worksheet and provide feedback.

Questions and Comments

- Look for mechanisms that reward cost effectiveness.
- Estimate the magnitude of Statewide rather than regional.
- Include beneficiary pays.

Adjourn